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1988/12/00



China: Key Foreign Policy, National Security, and Military Concerns (U)

A Defense Intelligence Assessment



Defense Intelligence Agency

[REDACTED]

China's Defense Industrial Modernization and Arms Sales

[REDACTED]

(U) In 1978, out of a background of inefficiency, overcapacity, idle plants and workers, technological inferiority, and poor management, the leadership decided to reform the defense industry as a key part of a broad national modernization program. Beijing wishes to:

- Streamline the weapons development process.
 - Accelerate the acquisition and absorption of domestic and foreign technology.
 - Reduce weapon development time.
 - Promote foreign sales.
 - Integrate defense and civilian industries.
- [REDACTED]

[REDACTED]

The Defense Establishment



(U) The five MC members are:

- Deng Xiaoping, Chairman
- Zhao Ziyang, First Vice Chairman
- Yang Shangkun, Permanent Vice Chairman and Secretary General
- Liu Huaqing, Deputy Secretary General
- Hong Xuezhi, Deputy Secretary General



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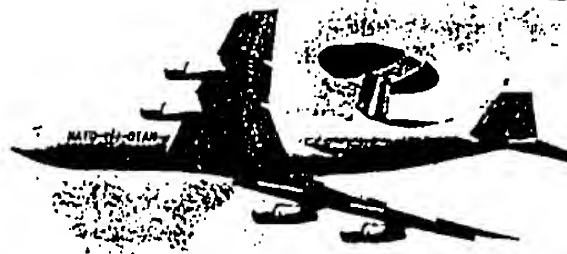
(U) Chinese Color Guard. Modernization of conventional forces centers around low-cost reforms intended to raise combat effectiveness.

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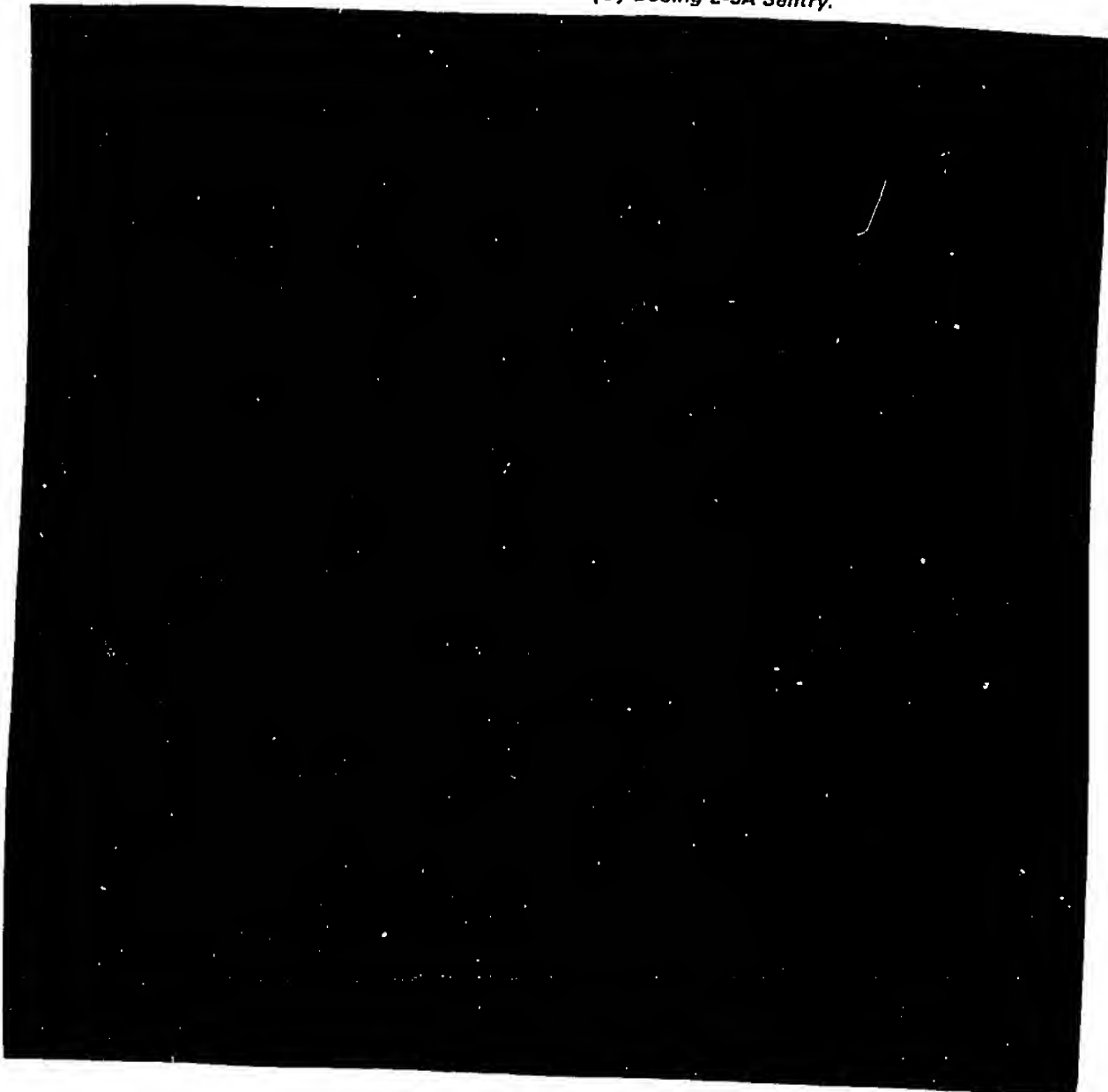


(U) Grumman E-2C Hawkeye.

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(U) Boeing E-3A Sentry.





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